

PURCHASE PAYMENT RULES

1. Effective July 1, 2004, each new purchase account with a total amount due of \$1,000.00 or less must be paid in a lump sum.

Each new purchase account with a total amount due greater than \$1,000.00 but less than \$10,000.00, will require a minimum of \$500.00 each payment until the account is paid in full.

Each new purchase account with a total amount due of \$10,000.00 or greater will require a minimum payment of \$1,000.00 each payment until the account(s) is paid in full.

2. An agreement to complete payment of purchase account shall exist upon acceptance of the initial payment.
3. Multiple new purchase accounts may be concurrently established for some service purchase types; however, each individual account must adhere to the minimum payment as specified and outlined in No. 1 above.
4. Unless the new purchase account(s) is paid in full, the initial payment on each purchase account(s) established must be made with after-tax dollars (personal check, money order, or cashier's check) for the minimum payment amount as specified and outlined in No. 1 above.
5. Effective July 1, 1997, repayments of refunds or the purchase of service may be made by employer pick-up. A member whose covered employer has submitted a payroll deduction resolution form for employer pick-up (tax-deferred deductions) may submit to ATRS an irrevocable payroll authorization (IPA) form provided by ATRS. The IPA shall set forth the amount and duration of deductions along with the terms and conditions agreed to by both the employer and the employee. The amount of the recurring deduction must meet the minimum payment amount as specified and outlined in No. 1 above. The recurring deduction will be deducted from the salary of each participating member on each and every payroll, for each and every payroll period. Once established, the IPA will remain in effect until (a) the number of payments on the IPA is completed, (b) the member terminates employment, or (c) the member retires. [(A.C.A. § 24-7-406(h)(1)(B) and A.C.A. § 24-7-406(h)(2)(3)(4)(5)]

Should the member have an existing IPA established prior to July 1, 2004, setting up a new purchase account automatically increases the amount on the existing IPA to coincide with the new minimum payment on the new purchase account. Payments to multiple accounts are applied at ATRS' discretion.

The amount of the deduction may be increased or lowered so long as the lowered amount does not fall below the minimum amounts payable.
Maximum deductions on purchase service are set forth by IRS regulations.

6. Payment by personal checks that meet the minimum requirements of No. 1 above may be made at any time during the installment period in addition to any payments made by employer pick-up.
7. A purchase account is not considered established and will not be set up as payable until the initial payment is accepted by ATRS.

Adopted: June 15, 2004